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DIVISION OF CONSUMER ADVOCACY  
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BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

PUBLIC UTILITIES  
COMMISSION

2007 JUL -2 P 4: 09

FILED

In the Matter of the Application of )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
Approval of Rate Increase and Revised Rate )  
Schedules and Rules. )

DOCKET NO. 2006-0386

**DIVISION OF CONSUMER ADVOCACY'S**  
**SIXTH SUBMISSION OF INFORMATION REQUESTS**

Pursuant to the Revised Procedural Schedule approved in Order  
No. 23442, the Division of Consumer Advocacy submits its **SIXTH SUBMISSION OF**  
**INFORMATION REQUESTS** in the above docketed matter.

DATED: Honolulu, Hawaii, July 2, 2007.

Respectfully submitted,

By Cheryl S. Kikuta  
CHERYL S. KIKUTA  
Utilities Administrator  
DIVISION OF CONSUMER ADVOCACY

**DOCKET NO. 2006-0386**

**HAWAIIAN ELECTRIC COMPANY, INC.**

**SIXTH SUBMISSION OF INFORMATION REQUESTS**

**INSTRUCTIONS**

In order to expedite and facilitate the Consumer Advocate's review and analysis in the above matter, the following is requested:

1. For each response, the Company should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
4. Should the Company claim that any information is not discoverable for any reason:
  - a. State all claimed privileges and objections to disclosure;

- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

**DOCKET NO. 2006-0386**

**HAWAIIAN ELECTRIC COMPANY, INC.**

**SIXTH SUBMISSION OF INFORMATION REQUESTS**

**Witness T-2 Mr. Willoughby.**

CA-IR-403

**Ref: Response to CA-IR-189 (Actual versus Projected KWH Sales and Customers).**

Please provide the following:

- a. Updated GWH sales information through June 2007 by Rate Schedule – Actual versus forecast.
- b. Updated monthly actual versus projected customer counts by Rate Schedule, through June 2007.
- c. Explanations of known causes for cumulative or monthly fluctuations in actual GWH or customer data.
- d. Explanations of known causes between actual and projected GWH sales and customer counts through June 2007.

CA-IR-404

**Ref: Response to CA-IR-318 (Net Energy Metering).**

Please provide the following:

- a. Breakdown of projected Schedule R and Schedule J Installations and kW/kWh impacts on a monthly basis.
- b. Schedule R and Schedule J Installations and kW/kWh impacts on a monthly basis, through June 2007.

- c. Explanations of known causes for cumulative and monthly fluctuations in the pace of actual NEM installations and load impacts to date, relative to anticipated levels.

**Witness T-6 Mr. A. Giovanni.**

CA-IR-405

**Ref: Responses to CA-IR-229, Attachment 1; and CA-IR-244 (PO Nonlabor Costs).**

Please provide the following information for each of the Type "PO" outages that have actually occurred in 2007, to-date:

- a. Actual incurred material (EE=201) and contract services (EE=501) charges recorded for each outage.
- b. Comparable test year budgeted material (EE=201) and contract services (EE=501) charges for each outage.
- c. Explain the reasons for each individually significant variance between the amounts in part (a) and part (b) of your response to this information request for each PO type outage.
- d. For each test year PO not completely addressed by your response to parts (a) through (c), including the changes and cost omissions described in your response to CA-IR-244, part (f), please explain and provide quantification for each known change in outage scope and non-labor expense budget for the remaining anticipated PO's for the remainder of 2007.

**Ref: HECO Responses to CA-IR-230, page 2; and CA-IR-228 (Effect of W9 and W8 Extended Unplanned Outages).**

Reference is made in the response to CA-IR-230 to, "the extended unplanned forced outages of Waiau 9 from October 11, 2004 to April 11, 2005 and Waiau 8 from October 14, 2005 to February 8, 2006." Please provide the following:

- a. The actual non-labor O&M costs incurred as a direct result of the "extended unplanned forced outage" of Waiau 9, by month.
- b. The actual non-labor O&M costs incurred as a direct result of the "extended unplanned forced outage" of Waiau 8, by month.
- c. Copies of internal reports, analyses or studies associated with evaluation of the root causes of the extended unplanned forced outage" of Waiau 9, including but not limited to any reports filed with the Commission or the CA.
- d. Copies of internal reports, analyses or studies associated with evaluation of the root causes of the extended unplanned forced outage" of Waiau 8, including but not limited to any reports filed with the Commission or the CA.
- e. Approximately how much higher would the HECO Equivalent Availability Factor (as shown in CA-IR-228, Attachment 1) have been in 2004, 2005 and 2006 if the extended

unplanned forced outages at W8 and W9 had not been experienced?

- f. Approximately how much lower would the HECO Equivalent Forced Outage Rate (as shown in CA-IR-228, Attachment 2) have been in 2004, 2005 and 2006 if the extended unplanned forced outages at W8 and W9 had not been experienced?
- g. Please provide calculations and revised graphs for your responses to parts (e) and (f) of this information request.

CA-IR-407

**Ref: HECO-629 (Projected R&D Spending - Production).**

Please provide the following:

- a. A monthly breakdown of actual HECO expenses year to date through June 2007, in the 9 categories set forth at page 1 of HECO-629.
- b. Describe and quantify the actual firm financial commitments made by HECO for production R&D spending in 2007, beyond the amounts set forth in your response to part (a) of this information request.
- c. Provide copies of documents indicative of the firm commitments described in part (b).
- d. Explain the reasons for each individually significant difference between actual to-date spending on R&D (part a)

plus any firm commitments (parts b and c), relative to the amounts budgeted in each category set forth at page 1 of HECO-629.

- e. Explain any known revisions or updates to the narrative contained within HECO-629.
- f. Explain the concepts/methods being used to assign cost responsibility for funding of EPRI, renewables, biofuels, ESA and other projects of mutual interest to HELCO and MECO and provide calculations indicating how test year projected amounts were assigned/allocated among utilities.

CA-IR-408

**Ref: HECO-615, page 3 (Power Supply Management Reporting).**

With regard to the Manager, Operations & Maintenance position shown in the organization table, please provide the following:

- a. Identify and describe each of the recurring monthly reports prepared by or for this management employee, for use in informing HECO senior management personnel about the operational or financial performance of the business unit(s) within the responsibility of this manager.
- b. Provide copies of each of the reports identified in your response to part (a) for each available month of 2007, to-date.



- c. To the extent not provided in your response to part (b) of this information request, please provide detailed copies of all financial analyses and budget variance reports prepared by or for the use of the Manager, Operations & Maintenance for all available periods in 2007, to-date.

CA-IR-409

**Ref: HECO-615, page 3 (Power Supply Management Reporting).**

With regard to the Station Superintendent, Honolulu & Waiau position shown in the organization table, please provide the following:

- a. Identify and describe each of the recurring monthly reports prepared by or for this management employee, for use in informing HECO senior management personnel about the operational or financial performance of the business unit(s) within the responsibility of this manager.
- b. Provide copies of each of the reports identified in your response to part (a) for each available month of 2007, to-date.
- c. To the extent not provided in your response to part (b) of this information request, please provide detailed copies of all financial analyses and budget variance reports prepared by or for the use of the Station Superintendent, Honolulu & Waiau position for all available periods in 2007, to-date.

CA-IR-410

**Ref: HECO-615, page 3 (Power Supply Management Reporting).**

With regard to the Superintendent, Planning & Engineering position shown in the organization table, please provide the following:

- a. Identify and describe each of the recurring monthly reports prepared by or for this management employee, for use in informing HECO senior management personnel about the operational or financial performance of the business unit(s) within the responsibility of this manager.
- b. Provide copies of each of the reports identified in your response to part (a) for each available month of 2007, to-date.
- c. To the extent not provided in your response to part (b) of this information request, please provide detailed copies of all financial analyses and budget variance reports prepared by or for the use of the Superintendent, Planning & Engineering for all available periods in 2007, to-date.

CA-IR-411

**Ref: HECO-615, page 3 (Power Supply Management Reporting).**

With regard to the Superintendent, Maintenance position shown in the organization table, please provide the following:

- a. Identify and describe each of the recurring monthly reports prepared by or for this management employee, for use in informing HECO senior management personnel about the operational or financial performance of the business unit(s) within the responsibility of this manager.
- b. Provide copies of each of the reports identified in your response to part (a) for each available month of 2007, to-date.
- c. To the extent not provided in your response to part (b) of this information request, please provide detailed copies of all financial analyses and budget variance reports prepared by or for the use of the Superintendent Maintenance for all available periods in 2007, to-date.

CA-IR-412

**Ref: HECO-615, page 3 (Power Supply Management Reporting).**

With regard to the Station Superintendent, Kahe position shown in the organization table, please provide the following:

- a. Identify and describe each of the recurring monthly reports prepared by or for this management employee, for use in informing HECO senior management personnel about the operational or financial performance of the business unit(s) within the responsibility of this manager.

- b. Provide copies of each of the reports identified in your response to part (a) for each available month of 2007, to-date.
- c. To the extent not provided in your response to part (b) of this information request, please provide detailed copies of all financial analyses and budget variance reports prepared by or for the use of the Station Superintendent, Kahe for all available periods in 2007, to-date.

CA-IR-413

**Ref: HECO Response to CA-IR-239, Attachments 1 and 2 (Actual and Projected Power Purchase and Generation Planning Division Outside Services).**

Please provide the following additional information:

- a. Please update Attachments 1 and 2 to include additional actual expenditures through June 2007.
- b. Explain the details of any known projects and committed expenditures for the remainder of 2007 (subsequent to June).
- c. State all reasons why (whether) expenditure levels in this cost category for the remainder of 2007 (subsequent to April spending of only \$1,160) are realistically expected to exceed the actual spending needed in 2005 and 2006 by a multiple of 3 or more, as evidenced by the test year budget of \$380,000.

CA-IR-414

**Ref: HECO-614 (Filling of Positions by RA).**

Please provide the following:

- a. Updated HECO-614 indicating all changes in actual staffing in 2006 and 2007, through June 2007.
- b. Explain any revisions to T-6 testimony at pages 25 through 55 that are required to describe any changes in the Company's staffing plans or staffing requirements.

CA-IR-415

**Ref: HECO-613, (Actual and Projected VP-Power Supply Employee Counts).**

Please provide the following:

- a. Updated HECO-613, adding columns for:
  1. 2006 Actual EOY employee counts;
  2. Actual June 30, 2007 employee counts;
  3. Test Year 2005 HECO-proposed employee counts;and
  4. Test Year 2005 settlement approved employee counts.
- b. Explain any revisions to HECO plans to ultimately achieve the employee count values shown for "2007 Test Year" within the remaining months of 2007, given your response to part (a)(2) of this information request.
- c. For what reasons is it reasonable to continue to assume that the challenges faced by HECO in filling vacancies, as

discussed by HECO T-6, will be resolved by year-end 2007, such that all the currently vacant positions included in test year projected production labor expenses will ultimately be filled?

- d. Provide complete copies of all studies, reports, projections, analyses and other documents associated with your responses to parts (b) and (c ) of this information request.

CA-IR-416

**Ref: HECO Response to CA-IR-3, HECO T-6, Attachment 1, page 2 (2007 Distributed Generation O&M by Month).**

Please provide the following information:

- a. Actual monthly expenses by line item through June 2007.
- b. Explanations for individually significant variances between budgeted and actual values.
- c. Updated status of the Kaiser DG unit, with revised projections of O&M, as appropriate.
- d. Copy of contracts with Kaiser defining expense obligations of HECO.
- e. Calculations supporting the budgeted DSG Incentive amounts set forth in Attachment 1, page 2.

CA-IR-417

**Ref: HECO Responses to CA-IR-72, Attachment 1 and CA-IR-74, Attachment 5 (Quarterly Employee Count Data).**

Please provide the following information:

- a. Updated actual Operating Division Staff Positions by Power Plant, adding 2Q2007.
- b. Updated actual Maintenance Division Staff Positions by Power Plant, adding 2Q2007.

CA-IR-418

**Ref: HECO Response to CA-IR-77, Attachments 1 and 2 (Maintenance Backlog Report Data).**

Please provide the following information:

- a. Complete copies of the "DARS 1877 Excel Report, as used to prepare Attachment 1 and 2.
- b. Updated current Backlog Reports, prepared on a basis consistent with Attachments 1 and 2.
- c. Complete copies of the "DARS 1877 Excel Report, as used to prepare your response to part (b) of this information request.

CA-IR-419

**Ref: HECO Responses to CA-IR-74, Attachment 10; CA-IR-234, page 2 (Actual Maintenance Labor and Outside Services Expenses).**

According to the CA-IR-234 response, "Consequently, since the Maintenance Division is not fully staffed in 2007 as of this date, the actual labor expense for HECO Maintenance Division is expected to be less than estimated and the corresponding actual outside service expense is expected to be higher than estimated." Please provide the following:

- a. Actual monthly Maintenance Division labor expense for January through June 2007, prepared on a basis consistent with CA-IR-74, Attachment 10.
- b. Actual monthly Maintenance Division outside services expense for January through June 2007, prepared on a basis consistent with CA-IR-74, Attachment 10.
- c. Explanations of the extent to which the substitution of outside services for company labor has taken place, as anticipated within the quoted language from CA-IR-234.

CA-IR-420

**Ref: HECO Response to CA-IR-240, page 3 (Actual Maintenance Labor and Outside Services Expenses).**

According to the response, "While HECO anticipates an overrun of \$5,886,000 for 2007 overhaul and outage projects, HECO is not currently seeking an increase in 2007 test year expenses. Instead, the funds initially allocated for lower priority work or the discretionary work described above and identified in Attachment 3 to this response, as well as CA-IR-241 and CA-IR-242, will be used to offset the unbudgeted increases in these overhaul and outage projects. In addition to the discretionary work identified in Attachment 3 that was deferred, other work must also be deferred to allow performance of all the necessary overhaul and outage project work and avoid significant overruns of the budget." Please provide the following:



- a. Explain and provide detailed calculations supporting the currently anticipated "overrun," indicating the causes for each element of same.
- b. Provide a breakdown of projected labor and non-labor expenses for the test year by overhaul and outage project and provide comparable currently "anticipated" cost levels, indicating which outages and overhaul projects are producing the "overrun."
- c. Please state and explain whether Mr. Giovanni's testimony at page 17, line 13 and the Company's response to CA-IR-64 are accurate and complete, such that the anticipated higher costs associated with the anticipated "overrun" must be "abnormal."
- d. Please explain whether or not the Company believes that test year projected O&M costs should be updated to reflect more current views of anticipated test year spending levels.
- e. Please explain whether or not the Company is advocating no correction to test year projected expenses that are known to be overstated in a particular area, in this case "for lower priority work or the discretionary work described above and identified in Attachment 3," when and to the extent that HECO anticipates overruns in other expense areas beyond the amounts included preparing the test year forecasts.

**Ref: HECO Response to CA-IR-236, Attachment 1 (Production Department Overtime).**

Please provide the following additional information, to supplement the narrative description of how the uniform 15 percent overtime rate was determined:

a. For PIH, provide:

1. A complete copy of the analysis described as a, "review of historical level of absences due to holiday, vacation, or illness; shift staffing requirements; and anticipated training needs, then adjusted downward to reflect full staffing."
2. Explain and provide calculations illustrating how such analysis was used to derive the 15% overtime rate that was employed.
3. Explain with specificity and provide calculations showing how the increased PIH staffing, per HECO-614, page 3, was translated into an adjustment value for overtime, relative to historical levels.

b. For PIK, provide:

1. A complete copy of the analysis described as a "review of historical level of absences due to holiday, vacation, or illness; shift staffing requirements; and

2. Explain and provide calculations illustrating how such analysis was used to derive the 15% overtime rate that was employed, after “adjust[ing] downward to reflect full staffing.”
  3. Explain with specificity how the increased PIK staffing, per HECO-614, page 3, was translated into an adjustment value for overtime, relative to historical levels.
- c. For PIL, provide:
1. A complete copy of all documents associated with the referenced analysis described in the “Explanation why not reduced” column of Attachment 1, page 3.
  2. Explain and provide calculations illustrating how the data provided in your response to part (c)(1) (the analysis) was used to derive the 15% overtime rate that was actually employed.
  3. Explain with specificity how increased PIL staffing, per HECO-614, page 3, was considered and used in the calculations of test year overtime, relative to historical levels.
- d. For PIN, provide:

1. A complete copy of all documents associated with the referenced analysis described in the "Explanation why not reduced" column of Attachment 1, page 5.
  2. Explain and provide calculations illustrating how the data provided in your response to part (d)(1) "the analysis" was used to derive the 15% overtime rate that was actually employed.
  3. Explain with specificity how increased PIN staffing, per HECO-614, page 4, was considered and used in the calculations of test year overtime, relative to historical levels.
- e. For PIW, provide:
1. A complete copy of the analysis described as a "review of historical level of absences due to holiday, vacation, or illness; shift staffing requirements; and anticipated training needs, then adjusted downward to reflect full staffing."
  2. Explain and provide calculations illustrating how such analysis was used to derive the 15% overtime rate that was employed for PIW, after "adjust[ing] downward to reflect full staffing."
  3. Explain with specificity how the increased PIW staffing, per HECO-614, page 4, was translated into

an adjustment value for overtime, relative to historical levels.

f. For PIX, provide:

1. A complete copy of all documents associated with the referenced analysis described in the "Explanation why not reduced" column of Attachment 1, page 8.
2. Explain and provide calculations illustrating how the data provided in your response to part (f)(1) "the analysis" was used to derive the 15% overtime rate that was actually employed.
3. Explain with specificity how increased PIX staffing, per HECO-614, page 4, was considered and used in the calculations of test year overtime, relative to historical levels.

CA-IR-422

**Ref: Response to CA-IR-2, Attachment 7, pages 5, 7 and 10; June Update HECO T-6, page 2 (Emission Fees).**

Please provide the following information regarding HECO calculated Emission Fees for 2007:

- a. State whether the DOH has accepted and approved the amounts calculated for Honolulu, Kahe and Waiau stations, as set forth at Attachment 7, pages 5, 7 and 10, respectively.
- b. If your response to part (a) is negative, please provide copies of the most recently approved actual emission fee

calculations (or state they are as provided in response to CA-IR-82, Attachment 1).

- c. Has HECO received any indication of the potential for fee waivers in 2007 or 2008?
- d. If your response to part (c) of this information request is affirmative, please explain and provide documentation for any information HECO possesses regarding fee waivers.

CA-IR-423

**Ref: June 2007 Update, HECO T-6, pages 3 to 6; Attachments 3, 4, 5 and 6 (Clean Water Act 316(b) Expenses).**

Please provide the following regarding this newly proposed test year expense element:

- a. Explain and provide documentation supporting the basis for HECO decisions to defer incurred CWA Section 316b costs as potential capital projects, as noted on page 4.
- b. Provide a breakdown of the deferred costs in Attachment 3, by month and by RA for all periods shown.
- c. Provide complete copies of all studies, reports, analyses and other documents prepared or relied upon in connection with the April 3, 2007 "accounting decision [that] was made by HECO to transfer the accumulated Section 316(b) costs..."
- d. Provide the amounts of projected labor costs in the HECO 2005 test year that were removed from ratemaking

expense and treated as capitalized charges to PEWON work orders (if any).

- e. Provide copies of 2005 test year workpapers or IR responses supportive of any affirmative response to part (d) of this information request.
- f. Provide the amounts of projected labor costs in the HECO 2007 test year that were removed from ratemaking expense and treated as capitalized charges to PEWON work orders (if any), with references to where such amounts can be observed in the Company's response to CA-IR-1.
- g. Provide a copy of the 2005 test year RA=PJW non-labor expense support documentation as supplied in response to CA-IR-2 in Docket No. 04-0113, indicating costs budgeted to expense indicators as well as any projected 2005 capital or *other non-expensed projects (such as the 316b projects listed in Attachment 3)*.
- h. Provide a comparative analysis of RA=PJW actual monthly non-labor expenses by expense element in 2005, 2006 and 2007, to-date, in relation to the PJW non-labor expenses approved in the 2005 test year.
- i. Provide supporting documentation for each amount shown on Attachment 4, with references into CA-IR-1 and CA-IR-2

schedules where such amounts were reflected, as applicable.

- j. Provide copies of documentation supportive of each listed 2007 cost estimate in Attachment 5, including but not limited to requests for proposals, contracts, work orders and correspondence with each of the listed vendors.
- k. Provide a monthly breakdown of each of the cost line items in Attachment 6 (except 316(b) incurred 1/07-4/07) for all years by expense element, indicating each amounts for which a contract or other firm commitments to spend has been secured.
- l. Provide a monthly breakdown of actual HECO charges for CWA Section 316(b) compliance activities by RA, Indicator (NP, NE, etc.) and expense element through June 2007, indicating how such amounts can be reconciled to Attachment 3 and Attachment 4.

CA-IR-424

**Ref: June 2007 Update, HECO T-6, pages 6 to 14; Attachments 7 and 8 (Generation Bidding – Additional Labor and Non-Labor Expenses).**

Please provide the following regarding the additional \$66,000 of labor expenses and additional \$243,000 of non-labor expenses now being proposed:



- a. Provide copies of the approved Job Vacancy Requisition forms for each of the five new positions set forth on Attachment 7 or explain why each of such forms does not exist.
- b. Provide copies of the Position Description forms for each of the five new positions set forth on Attachment 7 or explain why each of such forms does not exist.
- c. Provide the date of hire and starting work date for each new employee in each of the five new positions set forth on Attachment 7.
- d. Provide complete copies of all studies, reports, analyses, workpapers, projections and other documents prepared by or for HECO to evaluate work requirements and the adequacy of existing staffing associated with planned activities related to the Competitive Bidding process.
- e. Explain how HECO interpreted the information provided in your response to part (d) of this information request to determine that exactly 2,088 hours per year for three new positions would be required for the incremental work requirements.
- f. What is meant by "For purposes of simplification..." at page 9 where labor costs for the three new positions is discussed?

- g. Describe each of the known deliverable work products to be produced by the three new employees in 2007, including but not limited to the HECO RFP and MECO work described on page 9.
- h. Explain the basis for and provide supporting calculations/documentation associated with the assumed 40% to MECO and 10% to HELCO labor allocations described on page 9.
- i. State whether HECO plans to defer and amortize any of the line item non-labor expenses on Attachment 8 and provide copies of any accounting or regulatory authority that is being relied upon for such deferral accounting.
- j. Provide a detailed itemization of actual June 2007 year-to-date non-labor expenses incurred within each of the categories of cost set forth in Attachment 8.
- k. Provide complete copies of available documentation supportive of each listed "FY07 Update" non-labor cost estimate in Attachment 8, including but not limited to requests for proposals, contracts, work orders and correspondence with each of the planned vendors.
- l. Provide complete copies of available documentation supportive of each listed "FY08 Forecast" non-labor cost estimate in Attachment 8, including but not limited to

requests for proposals, contracts, work orders and correspondence with each of the planned vendors.

- m. Provide complete copies of available documentation supportive of each listed "FY09 Forecast" non-labor cost estimate in Attachment 8, including but not limited to requests for proposals, contracts, work orders and correspondence with each of the planned vendors.
- n. Explain the planned division of responsibility between the multiple outside consultants listed in Attachment 8 and the three incremental new full time employees set forth for "Generation Bidding-Labor" on Attachment 7, indicating how overall work requirements were identified and assigned between new in-house employees and outside contractors.

CA-IR-425

**Ref: June 2007 Update, HECO T-6, pages 14 to 16; Attachment 7 (PSOM Administration – Additional Labor Expenses).**

With regard to the new PSOM Administrator position now being proposed, please provide the following:

- a. Provide a copy of the approved Job Vacancy Requisition forms for the new position or explain why each of such form does not exist.
- b. Provide a copy of the Position Description forms for the new position or explain why each of such forms does not exist.

- c. Provide the anticipated date of hire and starting work date for the new employee.
- d. State the reasons why "Financial administration of O&M expenses is being consolidated in one group" and explain whether more attention is to be focused upon financial administration of PSOM activities and expenses in the future as a result of such changes.
- e. Provide complete copies of all studies, reports, analyses, workpapers, projections and other documents prepared by or for HECO to evaluate work requirements and the adequacy of existing staffing associated in support of the decision to add the new position.

CA-IR-426

**Ref: June 2007 Update, HECO T-6, pages 14 to 16; Attachment 7 (Fuel Infrastructure – Additional Labor Expenses).**

With regard to the new Fuel Infrastructure Director position now being proposed, please provide the following:

- a. Provide a copy of the approved Job Vacancy Requisition forms for the new position or explain why each of such form does not exist.
- b. Provide a copy of the Position Description forms for the new position or explain why each of such forms does not exist.

- c. Provide the anticipated date of hire and starting work date for any new employee that is planned.
- d. Explain which position was "filled, effective May 28, 2007" and why a "hiring process has begun" for a "staff engineering position" given that Attachment 7 indicates that the "director" is being added.
- e. Provide complete copies of all studies, reports, analyses, workpapers, projections and other documents prepared by or for HECO to evaluate work requirements and the adequacy of existing staffing associated in support of the decision to create and fill the new Fuel Infrastructure Division position.
- f. Provide a detailed itemization of test year non-labor O&M expenses for the fuels department and explain the reasons why "2007 test year estimate...is not expected to change as a result of this reorganization."

**Witness T-7 Mr. Young.**

CA-IR-427

**Ref: HECO Response to CA-IR-105 (EMS Project).**

CA-IR-105(e) sought a copy of all documentation and spreadsheet files supporting the \$557,000 estimated annual maintenance cost for the new Siemens EMS. In response, the Company merely provided a listing of the items comprising this amount. This listing

also appears in HECO T-7's response to CA-IR-2, Attachment L-1, page 15. Please provide the following:

- a. Does the response of HECO T-7 (or any other HECO witness) to CA-IR-2 (or any other informational request) contain detailed documentation showing how the individual items set forth in this list were quantified for purposes of inclusion in the 2007 test year forecast?
  1. If so, please provide a pinpoint reference to such information.
  2. If not, please provide a copy of all documentation and spreadsheet files supporting the items comprising the \$557,000 estimated annual maintenance cost for the new Siemens EMS, as originally requested by CA-IR-105(e).
- b. Several of the items listed in the response to CA-IR-105(e) refer to the "warranty" – that is, in the context of "during" or "after" the warranty. Please provide the following:
  1. Please identify the start and end of the warranty period.
  2. What support service is included in the 2007 test year forecast "after" the warranty period? Please explain.

**Witness T-8 Mr. Yamamoto.**

CA-IR-428

**Ref: Response to CA-IR-258, parts (b) and (h),  
(Temp Services).**

Please provide the following additional information:

- a. Regarding the Part b administrative assistant position, regardless of work being "covered", provide the 2007 monthly actual hours worked and expenses incurred, to-date and explain how such charges compare to test year estimated expenses of \$38,400.
- b. Regarding the single full time and two half-time positions set forth in part (h), provide the 2007 monthly actual hours worked for each position and expenses incurred for each position, to-date, and explain how such charges compare to test year estimated expenses of \$57,000.
- c. Provide comparable actual monthly temporary service hours and expenses incurred to date for each of the two additional full-time temporary service positions reflected in Attachment 1 to CA-IR-3 (HECO T-8) and explain the reasons for any variations between the assumed temporary staffing in this adjustment and what was actually incurred.
- d. What additional adjustments, if any, to temporary service expenses included in the HECO-proposed test year Customer Accounts Expenses are required based upon updated actual information provided in your responses to

parts (a) through (c) of this information request? Provide calculations associated with your response.

CA-IR-429

**Ref: Response to CA-IR-258, parts (e) and (f), (BOH Fees).**

Please provide the following information:

- a. Explain all reasons why earnings credits applied in BOH "account analyses" should not be considered for ratemaking purposes, if such credits exist and serve to offset actual payments to BOH for processing services.
- b. Provide copies of the BOH account analysis calculations performed on each individually significant transaction account, showing gross fees chargeable and all earnings credits applied for the most recently available 3 months of 2007.
- c. State the monthly net amounts of ABP fees or Returned Check fees actually paid by HECO, if any, for all available months in 2007, to-date.
- d. Provide copies of all available documentation and other information relied upon in support of the statement, "it is very possible that the current favorable situation which allows credits to flow to HECO to offset these charges may not exist in the future."



CA-IR-430

**Ref: Responses to CA-IR-354, part b and CA-IR-355, part c, (Commercial Bankruptcy Event).**

Please provide the following additional information:

- a. Regarding the Kahuku Hospital bankruptcy, explain the steps taken to date to file and perfect HECO's claim and the anticipate timeline to resolve the matter and achieve any possible recoveries.
- b. Identify each individual commercial bankruptcy event experienced by HECO since September 1996 that caused a charge to the Allowance for Uncollectible Accounts in excess of \$100,000.
- c. What amounts, if any, were later recovered in relation to each commercial bankruptcy event identified in your response to part (b) of this information request?

**Witness T-9 Mr. Hee.**

CA-IR-431

**Ref: HECO-928; Response to CA-IR-2, HECO-T-9, Attachment B, page 14 (IRP Non-labor Projected Expense).**

Please provide the following:

- a. Actual spending for each line item (by EE) for the years 2005, 2006 and to-date June 2007, as charged to Activity 712 through September 28, 2005 and as charged to Activity 711 thereafter.

- b. Provide any additional information needed to reconcile the 2005 actual costs in your response to part (a) of this information request into the amounts at lines 1-3 of HECO-928.
- c. Explain whether HECO-928 should be revised, if the actual spending amounts provided in part (a) of this information request were substituted for the projected amounts relied upon the Company's adjustment.

CA-IR-432

**Ref: Response to CA-IR-263, parts (e), (f), (g) and (h), (DSM Incremental Positions).**

Please provide the following:

- a. Confirm that the "other nine incremental positions filled in 1996 as temporary hires" are contractors and not HECO employees and would continue to be charged to and recovered through the surcharge tariff (or explain the basis for any inability to confirm this statement).
- b. Explain why the "CEP Analyst" and the "C&I Engineer" positions were filled with Company employees (ultimately), rather than continuing to be contractors like the other nine positions.
- c. Explain the reasons for changes in HECO advocacy regarding base rate versus surcharge recovery of DSM labor costs in the 2005 test year, versus the Energy Efficiency

Docket, and why the Company's now believes that base rate recovery is appropriate (beyond citation to Order No. 23448).

- d. What plans have been made by HECO with regard to anticipating "efforts to assist with transition" or to "adjust its DSM-related staffing" in 2008 or 2009?
- e. Explain the basis for the statement, "HECO anticipates that efforts to assist with the transition will extend beyond the January 2009 date..."
- f. Explain the basis for the statement, "HECO may become an implementer of a portion of the energy efficiency programs and, thus, may need DSM-related staff for that purpose."
- g. Regarding the statement, "HECO expects to find the DSM staff comparable positions within the Company that can benefit from the diverse skills and experience possessed by those employees," please explain whether new positions will be created for such employees that exceed the presently proposed rate case staffing levels said to be needed by the Company.
- h. How specifically does HECO intend to "...avoid over-recovery of labor costs for DSM positions no longer required by placing those affected employees in comparable positions within the Company" if the labor costs for all

needed positions has already been included in determining the revenue requirement?

- i. Please provide complete copies of all reports, studies, correspondence and other information associated with your responses to parts (b) through (h) of this information request.

CA-IR-433

**Ref: Response to CA-IR-267 (Informational Advertising Expenses).**

Please provide the following:

- a. Explain the basis for characterizing the amounts shown on page 3 of the response as "using shareholder funds" when such amounts are said to have been "Charged to HECO NARUC Account 911."
- b. If the reference to "expense element NN" is used to drive certain expenses to below the line accounts (in spite of NARUC 911 coding), please provide a summary of all "NN" actual labor and non-labor revenue and expense amounts recorded for all NARUC Accounts recorded during 2006.
- c. Provide a detailed itemization of HECO Informational Advertising monthly actual expenses by expense element for all available months of 2007, to-date, isolating any amounts believed to be "using shareholder funds" versus utility regulated funds.

- d. Provide copies of advertising copy (comparable to pages 4-13 of this response) for all HECO Informational Advertising done to date in 2007, indicating any ads believed to be "using shareholder funds" versus utility regulated funds.

CA-IR-434

**Ref: Response to CA-IR-362, (Heat Pump Incentives).**

Please explain all reasons why HECO continues its BTL Heat Pump incentive program that is designed to promote the efficient usage of electricity (by encouraging customers to install highly efficient electric heat pump systems) at the same time numerous DSM programs are active to constrain electricity demand. As part of your explanation, please identify the most likely customer energy choices if the Heat Pump Incentive program were not offered.

**Witness T-10 Ms. Nanbu.**

CA-IR-435

**Ref: HECO T-10 Response to CA-IR-274 (ITS Costs).**

In response to part (a) of CA-IR-274, HECO indicated that \$215,000 was included in the test year forecast to maintain HECO's current mainframe applications until all mainframe applications are established on the new Unix Server Hardware platform, with the mainframe expected to be decommissioned in August/September 2008. These costs were included in the test

year, as they will be paid in 2007. While these specific mainframe services will not continue, other managed services may occur.

Please provide the following:

- a. Please confirm that the above summary accurately reflects HECO's response to CA-IR-274(a). If this cannot be confirmed, please explain.
- b. Does HECO believe that the key determining factor as to whether costs are reasonably includable in O&M expense for ratemaking purposes is whether the amounts "will be paid" in the test year? Please explain
- c. Does HECO believe that, regardless whether costs are paid or expected to be paid in the test year, regulators should also consider the extent to which such amounts are reasonably representative of ongoing and recurring cost levels? Please explain.
- d. Referring to the response to part (a)(3) of CA-IR-274, please provide a detailed description and quantification of the managed services not currently incurred, nor expected to be incurred in 2007, that HECO believes it will incur subsequent to August/September 2008.

**Ref: HECO T-10 Response to CA-IR-274 (ITS Costs).**

In response to part (b) of CA-IR-274, HECO indicated that \$163,500, or approximately 80% of the \$200,000 for Oracle database maintenance fees, included in the 2007 test year relate to one-time license fees associated with the number of services anticipated to be placed in service in late 2007. While Oracle license fees are incurred as new database servers are placed in service, HECO does not presently anticipate installing new servers in future years. Please provide the following:

- a. Please confirm that the above summary accurately reflects HECO's response to CA-IR-274(b). If this cannot be confirmed, please explain.
- b. Has HECO already paid the \$163,500 of one-time license fees in 2007? Please explain
- c. Does HECO anticipate that it will pay the \$163,500 of one-time license fees in 2007?
  1. If so, when does HECO anticipate paying such amounts?
  2. If not, why not? Please explain.
- d. What is the term of the database service licenses? Please explain.

1. Please explain why these one-time fees were not amortized over the expected term of the data base licenses.
2. Please explain why these one-time fees were not capitalized as part of the cost of the new UNIX servers.

CA-IR-437

**Ref: HECO Responses to CA-IR-133 & CA-IR-274 (Ellipse Migration & ITS Costs).**

In response to CA-IR-274, HECO discussed in detailed the \$509,000 for mainframe managed services (\$215k), Oracle maintenance (\$200k) and 2<sup>nd</sup> year Oracle maintenance (\$94k) set forth in Note B of HECO T-10's response to CA-IR-2, Attachment 13, page 10. According to the response to CA-IR-133, HECO revised the \$509,000 to \$990,000 and plans to seek recovery of the additional \$481,000. Please provide the following:

- a. Please provide a breakdown of the \$990,000 between the categories of mainframe managed services (was \$215k), Oracle maintenance (was \$200k) and 2<sup>nd</sup> year Oracle maintenance (was \$94k).
- b. Does the discussion of each of these three categories as provided in response to CA-IR-274 similarly apply to the revised amounts supplied in response to part (a) above? Please explain.



- c. If the response to part (b) above indicates that the response to CA-IR-274 no longer applies to the revised amounts supplied in response to part (a) above, please revise and update the response to CA-IR-274 – specifically highlighting and explaining areas of major revision.

CA-IR-438

**Ref: HECO Response to CA-IR-133 (Ellipse Migration).**

Exhibit 1 (attached to the referenced response) was supplied to support the updated cost estimate, which was increased from \$509,000 to \$990,000. Confidential pages 3 through 6 represent vendor quote information as further support for the increased cost estimate. Please provide the following:

- a. It is unclear how the data set forth on Confidential pages 3 through 6 supports the updated cost listing presented on page 1 of Exhibit 1. Please explain and reconcile the linkage between the confidential and non-confidential portions of Exhibit 1.
- b. Referring to pages 1 and 2 of Exhibit 1, please identify, describe and explain each material line item that reconciles the upward revision to the cost estimate from \$509,000 to \$990,000.

CA-IR-439

**Ref: HECO T-10 Response to CA-IR-273 (ITS Costs).**

HECO provided a breakdown of the 2005 "prior year actuals" captured in Workorder IT000004, amounting to \$1,188,073. In responding to CA-IR-273, the Company determined that the 2005 base amount had been understated by \$69,523. Please provide the following:

- a. Please provide a similar breakdown of amounts for 2006 for comparison to the 2005 amounts.
- b. Does HECO intend on revising its 2007 test year forecast to include the additional \$69,523? Please explain.

CA-IR-440

**Ref: HECO T-10 Response to CA-IR-277 (Ellipse Migration & ITS Costs).**

In response to CA-IR-277, HECO confirmed that the migration process will result in both the IBM mainframe platform and the new standard Unix/Oracle platform to be fully maintained and in operation for a period of time. HECO also indicated that the \$509,000 was not normalized for ratemaking purposes because the Company will implement periodic software upgrades every 4 to 5 years, based on vendor software lifecycle. Please provide the following:

- a. Please confirm that the above summary accurately reflects HECO's response to CA-IR-277(b) and (f). If this cannot be confirmed, please explain.

- b. Please identify, describe and provide the amount of periodic software upgrades whose cost HECO has included in the 2007 test year forecast.
- c. Please identify, describe and provide the amount of periodic software upgrades whose cost HECO incurred in the following historical years:
  - 1. 2005; and
  - 2. 2006.
- d. Please identify, describe and provide the amount of periodic software upgrades whose cost HECO expects to incur in the following future years:
  - 1. 2008; and
  - 2. 2009.

CA-IR-441

**Ref: HECO Response to CA-IR-136 & T-15 June 2007 Update (Pension Asset).**

In response to CA-IR-136, the Company provided the accumulated deferred income tax reserve balance associated with the prepaid pension asset, included in the beginning and ending test year rate base. Based on a review of the T-15 June 2007 Update, it appears that the comparable Federal and State ADIT reserve balances at test year-end have been revised to \$16,628,291 and \$3,040,588, respectively. Please provide the following:

- a. Please confirm that the above amounts represent the Company's revised forecast of the ADIT reserve balances associated with the prepaid pension asset at test year-end. If this cannot be confirmed, please explain and provide the correct amounts.
- b. In the T-15 June 2007 Update, new ADIT line items and adjustments are identified as being associated with AOCI. Should these entries and ratemaking adjustments offset so that the net effect has a "zero" impact on the ADIT reserve balance? Please explain.
- c. If the response to part (b) above indicates that the AOCI ADIT amounts do not net to "zero," please provide the following:
  1. Explain the basis for the resulting net positive (or net negative) 2007 year-end ADIT reserve balance.
  2. Please summarize the components of the net balance.

CA-IR-442

**Ref: HECO Response to CA-IR-142 & T-10 June 2007 Update (Pension Asset).**

In response to CA-IR-142(b), HECO states, in part: "The pension tracking mechanism proposed for HELCO also indicated that in future rate proceedings, the Consumer Advocate will propose that a substantially similar pension tracking mechanism be implemented

by HELCO's affiliates." The HECO T-10 June 2007 Update (see pages 6-7 and Attachment 10, page 2) recognizes a 10-year amortization of the estimated prepaid pension asset balance at December 2007. Please provide the following:

- a. Is HECO (and witness T-10) of the opinion and belief that the Consumer Advocate's support for HELCO's pension tracking mechanism requires the Consumer Advocate to support the rate base inclusion and amortization of HECO's prepaid pension asset balance, regardless of the unique facts and circumstances that may be alleged to differentiate HECO and HELCO? Please explain.
- b. Please confirm that HECO (and witness T-10) is aware of the fact that HELCO and the Consumer Advocate explicitly disagreed on the criteria that should be used to determine when and whether a prepaid pension asset should be included in rate base. [See Exhibit I, paragraph 21, attached to the April 5, 2007, Stipulated Settlement Letter filed with the Commission in Docket No. 05-0315.] If this cannot be confirmed, please explain.
- c. Please explain the basis for HECO's selection of a 10 year period over which to propose the amortization of the prepaid pension asset.

CA-IR-443

**Ref: HECO Response to CA-IR-367 (Other Awards).**

Please provide the following for "Merit Key Contributor Awards:"

- a. Please provide a copy of the summary documentation distributed to employees relative to this award plan.
- b. Please explain when the cash awards granted under this award plan are actually given to qualifying employees (e.g., quarterly, annually, upon identification of qualifying work, etc.).
- c. Who, within the corporate organization, determines when and whether plan awards should be granted? Please explain.
- d. Please provide a copy of any detailed plan documentation that sets forth the terms, conditions and employee eligibility criteria under which awards may or may not be granted under this award plan, including any preconditions such as achievement of financial targets.

CA-IR-444

**Ref: HECO Response to CA-IR-367 (Other Awards).**

Please provide the following for "Merit Team Awards:"

- a. Please provide a copy of the summary documentation distributed to employees relative to this award plan.
- b. Please explain when the cash awards granted under this award plan are actually given to qualifying employees

(e.g., quarterly, annually, upon identification of qualifying work, etc.).

- c. Who, within the corporate organization, determines when and whether plan awards should be granted? Please explain.
- d. Please provide a copy of any detailed plan documentation that sets forth the terms, conditions and employee eligibility criteria under which awards may or may not be granted under this award plan, including any preconditions such as achievement of financial targets.

CA-IR-445

**Ref: HECO Response to CA-IR-367 (Other Awards).**

Note 1 following the table provided in response to part (b) of CA-IR-367 states: "The credits in 2006 reflect the reversal of amounts accrued in 2005, which were not granted." Please provide the following:

- a. Please provide additional support showing how the 2007 forecast amounts were determined for each of the following award plans:
  - 1. Merit Key Contributor Awards
  - 2. Merit Team Awards

- b. Please expand the table supplied in response to CA-IR-367(b) to include actual amounts for calendar years 2001-2004.

**Witness T-12 Ms. Price.**

CA-IR-446

**Ref: HECO T-12, pages 33 to 34, HECO-1218, HECO-1219 and CA-IR-295 (HR Suite Project).**

In response to CA-IR-295, HECO confirmed that the implementation timeline for Phase 1 of HRS project is now projected to be completed in 2008. At page 34 of HECO T-12, the Company indicated that the 2007 test year forecast included \$739,000 in Account 926010 for labor and non-labor costs for consulting, software acquisition and maintenance and training. According to HECO T-12, the June 2007 Update eliminates the amortization expense associated with the HRS project based on the response to CA-IR-295, but is silent regarding the \$739,000. A further breakdown of the \$739,000 appears at HECO-1218 and HECO-1219. Please provide the following:

- a. Please explain why the June 2007 update did not also eliminate the \$739,000.
- b. If the response to part (a) above indicates that HECO will continue to incur these costs in 2007, even though HRS Phase 1 implementation has slipped into 2008, please



provide the following with regard to the \$339,000 of labor and on-costs charged to Accounts 920, 921 and 926:

1. A detailed breakdown of the labor and on-costs between consulting, software acquisition, maintenance and training.
  2. A 2007 timeline showing the current expected distribution of labor hours and labor related costs by month.
  3. Referring to part (b)(1) above, a detailed explanation as to why the Company believes that such costs are properly includable in the 2007 test year forecast.
  4. Referring to part (b)(3) above, please explain why these items are appropriately charged to O&M expense rather deferred or capitalized.
- c. If the response to part (a) above indicates that HECO will continue to incur these costs in 2007, even though HRS Phase 1 implementation has slipped into 2008, please provide the following with regard to the \$428,000 of non-labor costs charged to Account 926:
1. A detailed breakdown of the non-labor costs between consulting, software acquisition, maintenance and training.

2. A 2007 timeline showing the current expected distribution of non-labor costs by month.
  3. Referring to part (c)(1) above, a detailed explanation as to why the Company believes that such costs are properly includable in the 2007 test year forecast.
  4. Referring to part (c)(3) above, please explain why these items are appropriately charged to O&M expense rather deferred or capitalized.
- d. Referring to parts (b) and (c) above, please segregate the labor and non-labor costs between those charges that are annually recurring from those that will not continue, once the HRS project is completed – explaining the basis of and need for any recurring costs.

CA-IR-447

**Ref: HECO T-12 June 2007 Update (Prepaid Pension Asset Amortization).**

At the time this request was prepared, HECO had not yet provided the Consumer Advocate with the HECO T-10 June Update. Please provide the following:

- a. Please explain the basis for of the \$5,055,000 amortization of the prepaid pension asset.
- b. Was this amortization developed by Watson Wyatt Worldwide as part of the annual pension study? Please

explain and provide a copy of any related supporting documentation.

CA-IR-448

**Ref: HECO T-12 June 2007 Update (Employee Benefits).**

Exhibit 1 presents an update to the as filed HECO-1201 to recognize the revisions resulting from the June 2007 Update, as set forth in Column (e). The spreadsheet file supporting Exhibit 1 contains input values for either the June Update or the Revised test year estimate, Columns (e) and (f) respectively. Please provide the following:

- a. Please provide a breakdown of the components of the June Update adjustment amount of (\$1,115,000) for other postretirement benefits.
- b. Referring to part (a) above, please provide supporting calculations or a pinpoint reference to such documentation already supplied by the Company.

**Witness T-13 Mr. Tamashiro.**

CA-IR-449

**Ref: HECO response to CA-IR-299 & T-13 June 2007 Update (Rent).**

Please provide the following:

- a. Referring to CA-IR-299 (Attachment 1, Note 1), HEI plans to terminate its sublease arrangement with and reassign to

HECO the leased space on the 17<sup>th</sup> Floor of Central Pacific Plaza, beginning in May 2007. Please provide the following:

1. Please confirm the current status and timing of the sublease termination and reassignment of the lease to HECO.
  2. Immediately prior to HEI moving its personnel from the 17<sup>th</sup> Floor, please provide the total square footage occupied by HEI and HECO, respectively.
  3. Subsequent to the sublease termination and reassignment to HECO, please confirm that HECO will then solely occupy the total area identified in response to part (a)(2) above. If this cannot be confirmed, please explain.
- b. Referring to CA-IR-299 (Attachment 1, Notes 2 & 2a), please confirm that HECO vacated the 8<sup>th</sup> Floor of ASB tower in June 2007, by terminating its sublease with HEI. If this cannot be confirmed, please explain.
- c. Referring to CA-IR-299 (Attachment 1, Note 3), please confirm that HEI will continue to equally share the 8<sup>th</sup> Floor ASB Tower training/conference room with HECO and ASB and that the 8<sup>th</sup> Floor training/conference room is not being vacated or reassigned. If this cannot be confirmed, please explain.

CA-IR-450

**Ref: HECO Response to CA-IR-299 & T-13 June 2007 Update (Rent).**

Referring to CA-IR-299 (Attachment 1, Note 1), HEI moved its personnel from the leased space on the 17<sup>th</sup> Floor of Central Pacific Plaza to another location, beginning in May 2007. In the T-13 June 2007 Update (pages 4, 24 & Attachment 2), HEI personnel will relocate from the 4<sup>th</sup> Floor of the King Street building to another location. Please provide the following:

- a. Please confirm that the HEI personnel formerly on the 17<sup>th</sup> Floor of Central Pacific Plaza relocated to office space that has not been nor will be leased by HECO. If this cannot be confirmed, please explain.
- b. Please confirm that the HEI personnel formerly on the 4<sup>th</sup> Floor of the King Street building relocated to office space that has not been nor will be leased by HECO. If this cannot be confirmed, please explain.

CA-IR-451

**Ref: HECO Response to CA-IR-382 (Rent).**

Referring to Attachment 2 of the response to CA-IR-382, Note C explains the decrease in miscellaneous lease revenues from High Technology Development Corporation, indicating that HECO intends to terminate the lease in April 2007 in order to use the Keawe property for warehouse and yard space. Please provide the following:

- a. When did HECO make the decision to use the Keawe property for warehouse and yard space?
- b. Is there an existing structure at the Keawe property that HECO can immediately commence using for warehouse and yard space or will facility construction be required? Please explain.
- c. Is the use of the Keawe property intended to result in an expansion of HECO's warehouse and yard space or will this location effectively replace facilities at one or more other locations? Please explain.
- d. Referring to part (c) above, please identify any avoided facility leases or other cost changes expected to result from the utilization of the Keawe property, noting the amount of such costs included in the 2007 test year forecast.

CA-IR-452

**Ref: HECO T-13, pages 5 to 16 (Research & Development).**

Beginning at page 5, HECO T-13 discusses the Company's 2007 test year estimate for research and development. Test year R&D includes expenses related to HECO's membership in EPRI as well as R&D "activities to further HECO's evaluation and implementation of new technologies related to electric utility operations, renewable energy and alternate energy, and the development of emerging technologies." HECO's non-EPRI related R&D test year expense

includes \$456,000 for long term strategies and \$527,000 to develop and demonstrate new technology. Please provide the following:

- a. Do the above amounts represent the total R&D costs included in O&M expense, excluding EPRI related costs? Please explain.
- b. If the response to part (a) above is negative, please provide a detailed breakdown of the 2007 test year forecast by program or project, including the following:
  1. identify each R&D project;
  2. describe each project or provide a pinpoint reference to the portion of the HECO witness testimony that contains such description; and
  3. list the related test year O&M amount (by NARUC account).
- c. Referring to the response to part (b) above, please provide comparable actual data for calendar years 2005 and 2006.
- d. Referring to the response to part (b) above, please provide comparable data for the amount included in HECO's 2005 forecast test year.

CA-IR-453

**Ref: HECO T-13, pages 9 to 12 (R&D Long-Term Strategies).**

Of the \$456,000 for long-term strategy research, about \$443,000 relates to the 2007 estimated cost of the Electric System Analysis

Study utilizing MECO's electrical system. Please provide the following:

- a. Based on the vendor's preliminary cost estimate, this study is expected to commence and finish in 2007. Please provide an update of the status of this study, including actual (or planned) commencement date and completion date.
- b. If the scheduling of this project has been delayed, please explain the delayed project time line.
- c. Does HECO consider this study to be annually reoccurring? Please explain.
  1. If the response to part (c) is affirmative, please provide detailed documentation supporting this conclusion.
  2. Please explain why HECO did not attempt to normalize such costs for ratemaking purposes.

CA-IR-454

**Ref: HECO T-13, pages 9 to 12 (R&D Long-Term Strategies).**

Based on the referenced testimony, it appears that the Electric System Analysis Study will generally focus on the effect of wind and photovoltaic resources on MECO's grid. Please provide the following information:

- a. Please confirm that above summary is accurate. If this cannot be confirmed, please explain.



- b. For each utility (i.e., HECO, MECO and HELCO), please provide the following comparative information, separately showing utility owned and third-party owned resources:
  - 1. current megawatts of wind energy;
  - 2. current megawatts of photovoltaic sources; and
  - 3. total generating capacity available for system dispatch.
- c. Referring to part (b) above, please provide comparative information showing the planned or anticipated megawatt additions of wind energy and photovoltaic sources in 2007 through 2010 for each utility, if available.

CA-IR-455

**Ref: HECO T-13, page 11 (R&D Long-Term Strategies).**

According to the referenced testimony, MECO's share of the cost of the Electric System Analysis Study is "in-kind as the technical lead, coordinating and collaborating with consultants and utility engineers in the various work activities. In addition, MECO personnel will be collecting and disseminating a multitude of data requirements for this study." Please provide the following information:

- a. Please explain how MECO's "in-kind" cost sharing arrangement was determined.
- b. Referring to part (a) above, did HECO and MECO seek to place a value on MECO's "in-kind" costs in order to conclude

that such an approach resulted in an equitable sharing of costs between HECO and MECO? Please explain.

1. If so, please provide such quantifications, including labor and non-labor costs.
2. If not, please explain why such a determination was not undertaken.

c. Are any HECO employees or consultants engaged (or expected to be engaged) in coordinating and collaborating with consultants and utility engineers and/or collecting and disseminating data for the study? Please explain.

1. Please provide HECO's best estimate of such labor and non-labor costs throughout the duration of the Study.
2. Were the costs identified in response to part (c)(1) above considered in developing the HECO/MECO cost sharing agreement? Please explain.
3. Please provide the amount of such costs identified in part (c)(1) above that have been included in the 2007 test year O&M forecast.

d. Please explain why HELCO has not been included for participating in the cost of this Study.

CA-IR-456

**Ref: HECO T-13, pages 12 to 15 (R&D New Technology & AMI).**

Of the \$527,000 estimate to develop and demonstrate new technology, about \$416,000 relates to the 2007 estimated cost of the Company's three-year Advanced Metering Infrastructure ("AMI") project. Please provide the following information:

- a. Please provide a breakdown of the \$1.7 million cost of this three-year project by year.
- b. Please provide an update of when the AMI study actually commenced and the planned completion date.
- c. Has the scheduling of this project been delayed since it was originally planned? Please explain the reason for and basis of any material delays in the project time line.
- d. Have any of the AMI pilot projects been formally presented to or approved by the Commission? Please explain.

CA-IR-457

**Ref: HECO Response to CA-IR-182 (R&D & BPL).**

Referring to part (a) of the response to CA-IR-182, HECO indicated that while the results of the small scale Broadband over Power Lines ("BPL") pilot was successful, the Company continued to evaluate other options that may be more cost-effective in similar applications, such as wireless technology. Please provide the following information:

- a. Has HECO abandoned the potential application of BPL technology? Please explain.
- b. Are any further trials of the BPL technology currently planned or anticipated by HECO, or any affiliate companies? Please explain.
- c. Did HECO retain any rights to the use of the BPL technology (i.e., via the pilot project) that could result in potential value from third-parties? Please explain.

CA-IR-458

**Ref: HECO Response to CA-IR-182 (R&D & BPL).**

In response to part (e) of CA-IR-182, the Company indicated that it would seek recovery of \$62,000 of decommissioning costs for the BPL pilot project at the next opportunity. Please provide the following:

- a. When did HECO decide to decommission the BPL project? Please explain.
- b. Is the amount HECO will seek to recover (i.e., \$62,000) expected to be spent solely for decommissioning activities of the BPL project? Please explain.
- c. Please describe what decommissioning activities for the BPL project will entail.
- d. Why should the cost of decommissioning BPL project activities be included in test year expense? Please explain.

- e. Did HECO's 2005 test year rate case include any BPL related R&D costs? Please explain and identify any such amounts.

CA-IR-459

**Ref: HECO Response to CA-IR-182 (R&D – CPP & PTR).**

In partial response to part (a) of CA-IR-182, HECO expressed its intent to pursue an additional R&D pilot program in late 2007 to evaluate Critical Peak Pricing ("CPP") and Peak Time Rebates ("PTR"). CPP is described as a tariff based program while PTR is a demand-side measure. HECO T-13 has included \$120,000 in the June 2007 Update for these items. Please provide the following:

- a. In direct testimony, did HECO submit tariffs that specifically proposed enabling tariffs for the time-of-use pricing envisioned by CPP? Please explain.
- b. Has HECO previously sought Commission approval of the CPP pilot? Please explain.
- c. In direct testimony, did HECO specifically propose the introduction of PTR as a new demand-side management program? Please explain.
- d. Has HECO previously sought Commission approval of the PTR pilot as a new demand-side management program? Please explain.

CA-IR-460

**Ref: HECO Response to CA-IR-182 (R&D – CPP & PTR).**

In partial response to part (a) of CA-IR-182, HECO indicated that it would seek recovery of an additional \$120,000 of CPP/PTR pilot R&D costs at the next opportunity. [HECO T-13 has included \$120,000 in the June 2007 Update for these items.] The Company also indicated that both CPP and PTR require significant load profile information in order to bill and/or credit the rebate, since the periods of those pilot programs may be initiated are not fixed. Please provide the following:

- a. When did HECO decide to pursue the CPP/PTR pilot R&D projects? Please explain.
- b. During 2007, does HECO anticipate that it will only collect load profile information that can be used in subsequent stages of the pilot? Please explain.
- c. Assuming the CPP/PTR pilot R&D projects are successful, when does HECO anticipate that customers might first be offered tariff based and load control programs. Please explain.

CA-IR-461

**Ref: HECO-1304, page 2 (EPRI Allocation).**

The EPRI allocation factors are set forth in Note (3), which also identifies specific dockets for HECO, HELCO and MECO and

unidentified values from which the allocation factors are derived.

Please provide the following:

- a. Please explain the reference to the three rate case dockets.
- b. What do the unidentified values represent (e.g., revenues, expenses, etc.)? Please explain.
- c. Referring to part (b) above, please explain the theory underlying the methodology used to apportion EPRI costs between the three utility operations.
- d. Using calendar year 2006, please provide comparable actual data (e.g., separate revenue data for HECO, HELCO and MECO) related to the allocation methodology identified in response to part (c) above.

CA-IR-462

**Ref: HECO T-13 June 2007 Update, page 8 (R&D Long-Term Strategies).**

Note (3) of page 8 of the June 2007 Update indicates that the cost of the Electric System Analysis Study has been increased by \$53,000 to consider the vendor's actual proposed cost. Please provide the following:

- a. Referring to the HECO T-13 response to CA-IR-2, Attachment 1, Revised page 1, please explain how adding \$53,000 to the amount included in the original test year forecast results in the vendor proposed amount, as set forth

on Confidential Attachment 5-A to the response of HECO T-13 to CA-IR-2.

- b. Referring to part (a) above, please show all calculations.

CA-IR-463

**Ref: HECO T-13 Response to CA-IR-2 (RE & Biomass Initiatives).**

Referring to Attachment 7, page 1, the referenced response identifies RE Initiative (monitoring, assessment and EIS) and Biomass Initiative (biofuels initiative with UH and others-seek federal monies) with test year amounts of \$300,000 and \$100,000, respectively. Please provide the following:

- a. Are these amounts included in the 2007 test year forecast?  
Please explain.
- b. Please provide a pinpoint reference to the appropriate witness testimony that discusses these initiatives. If none, please so state.
- c. If the response to parts (a) and (b) above indicate that these initiatives are included in the test year forecast but are not discussed in direct testimony, please provide the following:
1. Please describe the purpose and scope of each initiative.
  2. Please indicate the duration of each initiative, including the respective start and end dates.



3. Please identify and describe any process changes or offerings expected to result from each initiative.
4. When does the Company expect that ratepayers will realize any tangible benefits from each initiative?  
Please explain.

**Witness T-13 Mr. Tamashiro.**

CA-IR-464

**Ref: HECO Response to CA-IR-382, Attachment 2, Note B (High Technology Development Corporation Lease).**

- a. Please state whether or not the lease has been terminated and the effective date of such termination.
- b. Provide updated monthly actual rental income amounts for May and June 2007.
- c. Explain why the Keawe space is/was believed to be needed for warehouse and yard utilization.

**Witness T-14 Ms. Chiojioji.**

CA-IR-465

**Ref: HECO Response to CA-IR-302 (Vacancies).**

Referring to the table set forth on pages 3-6 of HECO's response to CA-IR-302, it appears that of the 101 position vacancies as of May 10, 2007, there were 30 vacant positions for which a JVR had not yet been received. Please provide the following:

- a. Please confirm the accuracy of the above interpretation of the referenced table. If this cannot be confirmed, please explain.
- b. Please update the referenced table as of June 30, 2007.

**Witness T-15 Mr. Okada.**

CA-IR-466

**Ref: HECO Response to CA-IR-305 (AFUDC/TCI "in CWIP").**

Please provide the following:

- a. Confirm that both AFUDC timing differences and TCI timing differences relate to CWIP investment that is not presently included in rate base (or explain the basis for any inability to confirm this statement).
- b. Confirm that in HECO Docket No. 04-0113 and HELCO Docket 05-0315 both AFUDC and TCI deferred tax balances were removed from rate base (or explain the basis for any inability to confirm this statement).
- c. *Explain whether or not AFUDC is computed on a compounding basis, such that previously accrued AFUDC in a particular AFUDC-eligible work order is included in the base upon which subsequent months' AFUDC is accrued.*
- d. Explain whether or not the CWIP investment base, upon which AFUDC is accrued, has been reduced by deferred tax balances provided on (arising from) AFUDC timing

differences, so that the net impact upon invested capital associated with AFUDC (gross AFUDC return less related tax deferrals) are recognized.

- e. Explain whether or not the CWIP investment base, upon which AFUDC is accrued, has been increased by deferred tax balances provided on (arising from) TCI-related timing differences, so that the net impact upon invested capital associated with TCI (gross AFUDC return plus TCI-related tax deferrals) are recognized.
- f. With respect to TCI, the response states at page 2, "The impact on invested capital is immediate, and therefore the related negative deferred income taxes should be an includable part of rate base as incurred." Please explain whether or not tax deferral associated with AFUDC does not have a comparable "impact on invested capital [that] is immediate", because of the non-taxable nature of AFUDC returns.
- g. Explain all reasons why it is now believed that "TCI was incorrectly excluded from rate base" and why this "error" is now believed to exist, indicating the basis for not correcting what is now believed to be an "error" in recent HECO and HELCO rate cases.

- h. Please confirm that HECO's Calculation of deductible test year Interest Expense for Use in Income Tax Expense Calculation at HECO-WP-1502 has been reduced for interest attributable to "AFUDC debt", effectively denying ratepayers the current tax deduction taken by the Company for interest paid to finance CWIP assets (or explain the basis for any inability to confirm this statement).

CA-IR-467

**Ref: Response to CA-IR-385 (Preferred Dividends Deduction).**

According to this response, "The tax effect of this deduction has not been considered for ratemaking purposes and will be factored into our income tax calculation at the next opportunity." Please provide the following information:

- a. Calculations supporting the actual deduction amounts taken *on the two most recently filed income tax returns.*
- b. Calculations supporting the appropriate test year deduction amount.

CA-IR-468

**Ref: HECO Response to CA-IR-384, Confidential page 4 (Actual Interest Expense).**

Please provide the following:

- a. Confirm that the amounts shown on page 4 are net of AFUDC debt and are comparable to the \$30,586,532 on HECO-WP-1502, page 2 which has also been reduced for

AFUDC debt (or explain the basis for any inability to confirm this statement).

- b. Provide June actual data to update page 4 and provide additional monthly projected data by month through December 2007 for Accounts 427, 430 and 431.
- c. Explain why no Interest on Debt Payable to Assoc. Co has been recognized in estimating test year deductible interest for income tax purposes, given the preparation of HECO ratemaking income tax expenses on a stand-alone basis.
- d. Provide calculations and any additional information required to reconcile the monthly projected income statement interest expense, per your response to part (b) of this information request to the proposed Net Interest Expense on HECO-WP-1502, page 2, as proposed for ratemaking income tax purposes.
- e. Explain all reasons why the test year projected interest expense for ratemaking purposes on HECO-WP-1502 appears to be much lower than recorded to-date 2007 interest expense (if annualized at 12/5 months) and why the test year estimate is reasonable at such levels.

**Ref: June 2007 Update; T-15, pages 6, 7, 9 and 11 (SFAS 109 Reconciliation – AFUDC Equity Adjustment).**

According to the footnote, "The total of \$55,947 does not match the total of \$51,399 per HECO-1506 (updated 6-29-07) because of the adjustment for AFUDC Equity Gross up in CWIP." Please provide the following information:

- a. Explain whether the mismatch as of year-end 2007 results from the new adjustment to SFAS 109 in the amount of \$4,548 on page 7 at the "Difference" line.
- b. If the \$4,548 amount is considered, along with the incremental "Deferred Tax Effect of Reg Asset" totaling \$1,770, is the net effect of this HECO revision a reduction to rate base of \$2,778 (as of December 31, 2007)?
- c. Did HECO make any adjustment for AFUDC equity gross-up or related SFAS 109 amounts in the 2005 test year (Docket No. 04-0113), because of "AFUDC in CWIP?"
- d. If your response to part (c) of this information request is affirmative, please identify the amount and provide reference to such adjustment(s).
- e. If your response to part (c) of this information request is negative, please identify and describe each of the changed circumstances making such an adjustment appropriate at this time.

- f. Explain all reasons why this new adjustment is viewed to be necessary, given the CWIP investment base upon which AFUDC rates are applied (for example, AFUDC compounding conventions).
- g. Provide detailed calculations of the Federal Deferred Income Tax amounts for the line captioned "AFUDC in CWIP) on page 9 of 11 for all years, culminating in the \$7,008,899 amount at year-end 2007.
- h. Provide detailed calculations of the State Deferred Income Tax amounts for the line captioned "AFUDC in CWIP) on page 11 of 11 for all years, culminating in the \$1,281,621 amount at year-end 2007.

CA-IR-470

**Ref: June 2007 Update; T-15, pages 9 and 11 (Account 282 Depreciation Deferred Tax Updates).**

Please provide the following:

- a. Calculations supporting the "Updated 2007" amounts for depreciation related deferred tax changes to Account 282 in the amounts (\$2,844,724) Federal and (\$279,895) State.
- b. Calculations supporting the "Estimate 2006 Post Year Ends" amounts for depreciation related deferred tax changes to Account 282 in the amounts \$534,712 Federal and \$92,799 State.

**Witness T-16 Mr. Morikami.**

CA-IR-471

**Ref: HECO Response to CA-IR-182 (R&D New Technology & AMI).**

In response to part (a) of CA-IR-182, HECO discusses an ongoing AMI pilot project and the use of the AMI program to bill residential and commercial customers, including the installation of about 3,000 meters in the Ocean Pointe subdivision. The meter installation work was completed in April 2007 with the pilot facilities scheduled to be placed in service in July 2007 when AMR billing services are expected to commence. Specifically, \$392,000 of the \$483,000 project is capital related and included in the 2007 test year plant additions sponsored by HECO T-16. Please provide the following:

- a. Please define the phrase "used and useful in providing utility service," as employed by HECO.
- b. Referring to part (a) above, does HECO employ a different definition of that phrase in the context of R&D or pilot projects than for typical projects, such as overhead distribution lines or generating units? Please explain.
- c. Please identify the AMI capital project number and related meter investment HECO has proposed to include in the beginning and ending test year plant in service balance.
- d. In the event that HECO halts the AMI pilot project or decides to not proceed with the deployment of such technology, are



there any limitations to the continued use of the FlexNet meters or other specific program requirements that would require the FlexNet meters be removed from service or otherwise decommissioned? Please explain.

- e. When did HECO install the original meters in the Ocean Pointe subdivision that were replaced by the FlexNet meters? Please explain.
- f. Does HECO anticipate reusing the original Ocean Pointe meters in other installations or were the meters removed from service and salvaged? Please explain.
- g. How has the decision to install FlexNet meters impacted the number of residential and commercial meters HECO proposes to include in rate base, under "cradle to grave" accounting for utility meters? Please explain.

CA-IR-472

**Ref: HECO Responses to CA-IR-307, Original & Updated 6/8/07 (Plant Update).**

In the 6/8/07 Update to HECO's response to CA-IR-307, the Company provided Project Identification Forms (see Attachment 5) for "nine additional projects that amount to more than \$1,000,000 in plant additions." In comparing the projected forecast amount set forth in these PIFs with the revised 2007 test year plant addition forecast HECO supplied in the original response to CA-IR-307 (see Attachment 1), the revised forecast was materially higher for

several of these projects. Please provide a detailed explanation of the significant change (i.e., either increase or decrease) for each of the following projects:

- a. P0000640: Original forecast \$1.2 million; 2007 revised test year forecast \$1.7 million.
- b. P0000815: Original forecast \$0.4 million; 2007 revised test year forecast \$1.3 million.
- c. P0000816: Original forecast \$1.2 million; 2007 revised test year forecast \$0.9 million.
- d. P0000870: Original forecast \$1 million; 2007 revised test year forecast \$1.6 million.
- e. P0000957: Original forecast \$0.77 million; 2007 revised test year forecast \$1.6 million.
- f. P0000959: Original forecast \$1.1 million; 2007 revised test year forecast \$1.4 million.
- g. P0001047: Original forecast \$0.33 million; 2007 revised test year forecast \$1 million.

CA-IR-473

**Ref: HECO Response to CA-IR-307, Updated June 8, 2007 (Plant Update).**

Attachment 5, pages 1-8, represents the PIF for Project P0000640, HNL Demineralizer Upgrade. Please provide the following:

- a. Please confirm that a new reverse osmosis and electro-deionization process (RO/EDI) will replace the

installed at the Honolulu Power Plant in the 1950's. If this cannot be confirmed, please explain.

- b. Please confirm that the new RO/EDI will consume more water (about 18 million gallons per year) than the original IX demineralizer (fluctuates significantly from 6.5-16.6 million gallons per year), but at a much reduced operating cost (HNL IX cost of about \$9.64/kgal vs. RO/EDI cost of \$3.81/kgal using City water). If this cannot be confirmed, please explain.
  1. Are these RO/EDI and IX water volumes still accurate? Please explain.
  2. Are these RO/EDI and IX operating costs still accurate? Please explain.
- c. Does HECO's June 2007 Update include the estimated cost savings expected to be achieved as a result of the Honolulu Demineralizer Upgrade?
  1. If so, please provide the amount of the annual cost reduction recognized in the test year forecast, showing all calculations.
  2. If not, please explain why the Company's June 2007 Update does not recognize these savings.
- d. Should the 2007 test year forecast reflect the reduction in demineralizer operating costs, since HECO is proposing to

include the new demineralizer in plant in service? Please explain.

CA-IR-474

**Ref: HECO Response to CA-IR-307, Updated June 8, 2007 (Plant Update).**

Attachment 5, pages 9-14, represents the PIF for Project P0000815, H9 Volt Reg/Exciter Replace. This project will install a new motor driven exciter and voltage regulator on Honolulu Unit to replace existing equipment installed in 1957. According to the PIF, the existing equipment is a maintenance burden to keep operational. Please provide the following:

- a. Does the 2007 test year forecast include the maintenance cost related to the original equipment or the new equipment? Please explain.
  1. If the response to part (a) above indicates that the 2007 test year forecast includes maintenance costs related to the original equipment that was a "maintenance burden," please explain why the Company's June 2007 Update does not recognize the maintenance savings associated with the new equipment.
  2. Does HECO concur that the 2007 test year forecast should reflect the reduction in maintenance costs,

since HECO is proposing to include the equipment in plant in service? Please explain

- b. Referring to the response to part (a) above, please provide the Company's best estimate of the maintenance costs related to this equipment that was included in the 2007 test year forecast. If none, please explain.
- c. Please provide the Company's best estimate of the maintenance savings expected to result from the installation of the new equipment.
- d. According the PIF, this project was planned for completion in 2004. Please provide the following:
  - 1. Please provide the actual (or current planned) completion date of this project.
  - 2. Please explain why this project was not completed in 2004, as originally planned.

CA-IR-475

**Ref: HECO Response to CA-IR-307, Updated June 8, 2007 (Plant Update).**

Attachment 5, pages 22-28, represents the PIF for Project P0000870, H9 Generator Rotor Rewind. According to the PIF, the project will rewind the generator rotor, which has shown to have shorted and broken windings. The shorted field windings cause excessive heating and could limit generator capacity or cause a

forced outage due to high vibration or result in catastrophic failure.

Please provide the following:

- a. Does the 2007 test year forecast include any maintenance costs related to the generator rotor or winding issues that will be mitigated by the completion of this Project? Please explain.
  1. Please provide the Company's best estimate of any such costs included in the 2007 test year forecast.
  2. Does HECO concur that the costs identified in response to part (a)(1) above should be removed from the test year forecast, since the Company is seeking to include the plant addition related to this Project in rate base? Please explain.
- b. Does the 2007 test year forecast recognize any reduced unit availability or capacity limitations that will be mitigated by the completion of this Project? Please explain.

CA-IR-476

**Ref: HECO Response to CA-IR-314, pages 9 to 11 & 95 to 253 (2007 Plant Additions).**

The referenced pages of CA-IR-314 relate to Project P0000474, WSC Privatization. HECO filed the application to purchase certain electrical distribution facilities from Waialua Sugar Company, Inc., in April 2001 (Docket No. 01-0135). At the time the PIF was approved, HECO anticipated the acquisition occurring in stages or

approved, HECO anticipated the acquisition occurring in stages or segments, with the addition to plant occurring in December 2003.

Please provide the following:

- a. Please identify and describe any material deviations from the planned acquisition strategy that materially contributed to the delayed completion from 2003 to 2007.
- b. Please describe the ultimate status and resolution of the joint pole agreement with Verizon Hawaii, Inc. and Oceanic Cablevision.
- c. Referring to the responses to parts (a) and (b) above, did either of these items contribute to the cost escalation from the PIF of \$1.39 million to \$1.73 million (CA-IR-307).

CA-IR-477

**Ref: HECO Response to CA-IR-314, pages 62 to 72 (2007 Plant Additions).**

The referenced pages of CA-IR-314 relate to Project Y00030 (i.e., Projects P0000714, P0000793 thru P0000795, per HECO-WP-1601), New Dispatch Center. This PIF shows a \$23 million estimated cost of the New Dispatch Center, with a plant addition date of August 2007. Please provide the following:

- a. What is the overall status of the completion of the New Dispatch Center, relative to the scope envisioned at the time the \$23 million estimate was prepared? Please explain.

- b. With the planned 2007 completion of Projects P0000714, P0000793 and P0000795 (see response to CA-IR-307), will the New Dispatch Center be completed or are there additional project elements (e.g., Project P0000794) that remain to be completed post-2007? Please explain.
- c. Please provide the cost of the New Dispatch Center, as follows:
  - 1. Actual plant in service as of December 2006, included in the 2007 test year rate base.
  - 2. Estimated 2007 plant additions, included in the 2007 test year rate base.
  - 3. Estimated post-2007 plant additions, not included in the 2007 test year forecast.

CA-IR-478

**Ref: HECO Responses to CA-IR-307, Attachment 5 pages 56 to 63, & CA-IR-314, pages 88 to 94 & 477 to 533 (2007 Plant Additions).**

The referenced pages of CA-IR-314 relate to Project Y00044 (i.e., Projects P0000946, P0000947 & P0000948, per HECO WP 1601), KoOlina SS Tsf#1 & Ckt. This project was to increase the distribution capacity in the KoOlina area, with a June 2006 completion schedule at an estimated cost of \$3.56 million. Page 56 of Attachment 5 to CA-IR-307 represents a December 2006 memorandum seeking construction expenditure authorization



the Ewa Nui and Kamokila Circuit Rearrange would result in the deferral of the KoOlina Substation project. Please provide the following:

- a. Please confirm that Ewa Nui and Kamokila Circuit Rearrange (Project P0001364) will result in the deferral of the KoOlina Substation (Projects P0000946, P0000947 & P0000948). If this cannot be confirmed, please explain.
- b. Were the KoOlina Substation projects actually deferred or were they cancelled? Please explain.
- c. If the response to part (b) above indicates that the KoOlina Substation projects were merely deferred, please provide the following:
  1. Revised estimated cost of the projects.
  2. Expected timetable for completion of the projects.

**Witness T-20 Mr. Young.**

CA-IR-479

**Ref: HECO T-20, pages 39 to 44, 55 to 58 and 62 - (TOU Rates and Riders).**

Please provide the following:

- a. To what extent will commercial customers be permitted to participate in one or more of the existing HECO time of use or interruptible schedules or riders (U, M, T, I) and also participate in new time of use rate schedules?

- b. What work was done by HECO to evaluate and integrate the pricing under proposed Schedule TOU-C with the customer impacts and time of use savings possible under existing time of use or interruptible rate schedules/riders?
- c. Please provide copies of any studies, reports, analyses, projections or other documents associated with your responses to parts (a) and (b) of this information request.

CA-IR-480

**Ref: June 2007 Update; T-3, pages 4 to 6 (Interim Surcharge).**

Please provide the following information:

- a. Explain the origin of the Interim Surcharge for DG Fuel, trucking and LSFO trucking, and
- b. Explain why the surcharge is being applied to only 8 months of the test year instead of being annualized as if effective all year.
- c. Is any continuation of this surcharge planned or authorized beyond the effective date of new base rates?

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S SIXTH SUBMISSION OF INFORMATION REQUESTS** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

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